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Counties Allowed to Fund Local Economic Development ***Senate Bill 239, sponsored by Sen. George, signed into law***

LANSING – Legislation to allow counties to take an active part in fostering economic development in their communities, through a grant or loan funding to a nonprofit corporation or a local unit of government, was signed into law, bill sponsor Sen. Tom George, R-Texas Township, said.

“Local governments are fighting a battle every day to keep and build on the grandeur of their cities and townships,” George said. “Counties deserve all the help that we can provide in creating job opportunities for working families. I am pleased that the Governor and my colleagues in the legislature supports their efforts to create and maintain economic development in Michigan communities.”

SB 239 authorizes counties to loan money to local governments and nonprofit organizations for infrastructure improvements needed to entice businesses to the area.

The legislation requires counties to establish an application process for granting or loaning funds, requires the application to include a statement of the public purpose for which the funding was made available, and requires a grant or loan to be awarded at a public hearing of the county board of commissioners.

Individuals who received a grant or loan contract from the county also would be required to deliver a annual report to the county board of commissioners on their activities and the degree to which they had met the stated public purpose of the funding.

Funds loaned or granted could not be derived from a county’s property taxes.

The legislation was sponsored as result of a request made by the Kalamazoo County Board of Commissioners in 2002, to enable the county to assist local economic development projects.

“Kalamazoo County will now have a greater ability to help its cities and townships become more ‘cool’ and ‘hip,’ something the Governor has recognized as important as we grow into the future,” George said.

The bill passed with unanimous support in the Senate and near unanimous support in the House.